different origin. The term was applied to the consolidated three per cents provided in 1752, when, under the act of 25 George II. c. 27, various small three per cent. stocks were *consolidated.* It was from this process that they had long derived the familiar designation of "Consols."

The special student will learn nothing new from this essay, but the general reader may use it as a convenient résumé, sufficiently full for his purposes. A. C. MILLER.

Who Pays Your Taxes? By DAVID A. WELLS and others. New York: Putnam. Pp. 239.

This series of short articles on taxation includes materials drawn from various sources, but here brought together by the New York Tax Reform Association as essentially representing its principles. The motive of the book may, accordingly, be understood from the platform of that society, which declares the present American system of state and municipal taxation hopelessly bad, and offers in its stead a system of which the chief characteristics are: first, exemption of "mortgages and capital engaged in trade, because taxes on such capital tend to drive it away, to put a premium on dishonesty and to discourage industry; and second, the imposition of taxes chiefly on real estate," because such taxes are most easily, cheaply and certainly collected, and because they "bear least heavily on the farmer and the worker."

The attack on the general property tax is sufficiently convincing, the material being derived in the main from the writings of Mr. David A. Wells and Mr. Thomas G. Shearman. The constructive work is not equally satisfactory, this being aside from objections to the two familiar theories which furnish a general basis for the system—the "diffusion" theory of incidence, and the theory that the rental value of real estate is a measure of the value of accompanying personality and of the ability to pay taxes. More than one writer of the series is led into extravagance by an excessive fear of "discouraging" some form of economic utility or activity, failing apparently to realize that taxation must fall somewhere, and that it must exert an unpleasant pressure wherever it rests. Thus the income tax is denounced (p. 126 and seq.) because it is a tax on thrift, which ought not to be discouraged—just as though taxes could ordinarily be imposed otherwise than on income and at the risk of discouraging thrift. In the same vein (p. 8) the income tax is said to be objection-

able because such a tax is paid "entirely out of savings," and thus "tends to discourage frugality." Any tax may detract from savings, but this applies no more to an income tax than to any other. Even the real estate tax must be paid out of funds which might perhaps be saved. The fear of "discouraging" something is exhibited in its most extreme form in Mr. Bolton Hall's first article, in which the principle of taxation according to ability is rejected, because such a tax must tend to "discourage" ability. If ability (*i. e.*, ability to pay taxes) is to be spared, the only remaining basis is faculty (*i. e.*, power of production), which is not a very hopeful basis of taxation.

It is remarkable that an argument against the taxation of capital should be accompanied by a proposal to tax buildings, which, in the main, are no less clearly capital and no less useful instruments of business enterprise than bonds or money at interest. The title of the book leads us to expect some discussion of questions of incidence, but we are put off with a few scattered sentences, such as the declaration (p. 12) that the truth of the diffusion theory is "too self-evident to need discussion," or the questionable announcement that "all economists are agreed that taxes upon raw materials or upon labor are added—and added with a profit—to the price of goods."

The same readiness to take things for granted appears in the failure to support the proposition of the platform that a real estate tax rests least heavily on laborers. It has often been supposed that tenants pay the house-tax for the most part, and it is certain that rent is an important item in the budget of most laborers. A writer on taxation can hardly be excused for fully identifying taxation according to ability with proportional taxation (p. 4), or for calling the income tax a "mode of encouraging a more equitable distribution of wealth" (p. 146).

The admirable purpose of the book may, however, perhaps be allowed to cover some of its technical shortcomings, and justify this notice. A. P. WINSTON.

The Theory of Wages. By HERBERT M. THOMPSON. Macmillan & Co. Pp. xxiv. + 140.

The author of this clear and very readable discussion of theory seeks to prove that the product of industry is divided up amongst the agents of production in shares, all of which are interdependent on each